

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

May 9, 2019

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

Dear Commissioner Rettig:

We write regarding the Internal Revenue Service (IRS) Free File program and the IRS's recently announced review of that program. The allegations that have surfaced from recent news articles are concerning and a review by the agency is in order.¹ The review needs to identify whether members of the program acted purposely to reduce taxpayer participation in the IRS Free File program. We ask that you keep us informed on the progress of your review, its findings, and any corrective actions taken.

While the program was designed to provide disadvantaged and underserved taxpayers with the ability to file their federal income taxes for free, it appears to be under-utilized. Although more than 70 percent of taxpayers qualify for the IRS Free File program less than 1.4 million taxpayers took advantage of it as of March 8, 2019. The declining use of Free File continues to be a concern for the Committee on Ways and Means. Although the review will rightfully look at recent allegations concerning the actions of members of the IRS Free File program, we request that the IRS broaden its review. We request that the IRS include a review of its own marketing practices for the program, current oversight of the program, and identify additional opportunities to improve taxpayer participation in the program.

When the IRS completes its review, we also request that the IRS reviews the memorandum of understanding with the program members to confirm they understand the requirements and objectives of the program. If the IRS finds that the program members acted purposely in deceptive practices, the agency should take any necessary actions, including amending and revising the memorandum's standards of practice, to address these issues as it is currently able to do.

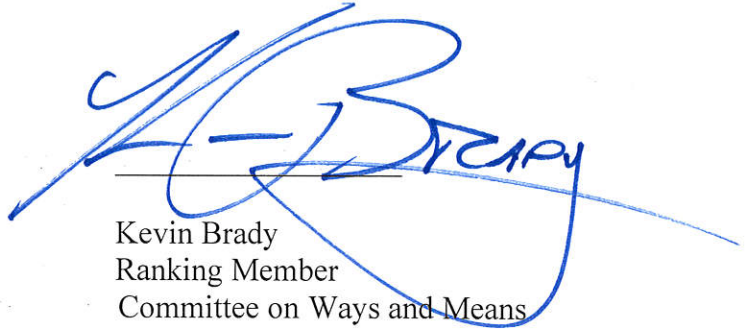
We look forward to the results of your review. Please provide updates on the status of your review to the Oversight Subcommittee's staff. If you have questions, please contact Karen McAfee of the Subcommittee's Democrat staff at (202) 225-3625 and Rachel Kaldahl of the Subcommittee's Republican staff at (202) 225-4021.

¹Justin Elliot and Paul Kiel, *TurboTax and H&R Block Saw Free Tax Filing as a Threat — and Gutted It*, ProPublica (May 2, 2019), <https://www.propublica.org/article/intuit-turbotax-h-r-block-gutted-free-tax-filing-internal-memo> and Justin Elliot, *TurboTax Deliberately Hid Its Free File Page From Search Engines*, ProPublica (April 26, 2019) <https://www.propublica.org/article/turbotax-deliberately-hides-its-free-file-page-from-search-engines>.

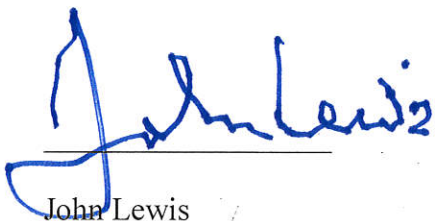
Sincerely,

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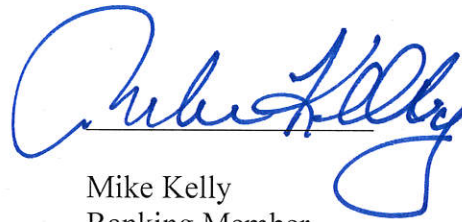
Richard E. Neal
Chairman
Committee on Ways and Means

A handwritten signature in blue ink, reading "Kevin Brady". The signature is very stylized and cursive, with a large loop at the end.

Kevin Brady
Ranking Member
Committee on Ways and Means

A handwritten signature in blue ink, reading "John Lewis". The signature is cursive and has a long, sweeping horizontal stroke at the end.

John Lewis
Chairman
Oversight Subcommittee
Committee on Ways and Means

A handwritten signature in blue ink, reading "Mike Kelly". The signature is cursive and has a large loop at the end.

Mike Kelly
Ranking Member
Oversight Subcommittee
Committee on Ways and Means